

MEETING MINUTES

Finance Committee

June 30, 2008

CALL TO ORDER

Time – 7:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Tim Felter, Mary O'Donoghue, S. Jon Stumpf, Harold Wright, Richard T. Howe and Mark Merritt.

Also present: Anthony J. Torrasi, Finance Director, Fire Chief Michael Mansfield

MEETING MINUTES

1. The minutes of February 25, 2008 were moved and seconded for approval as written. The motion passed with one abstention 6-0-1.
2. The minutes of February 6, 2008 were moved and seconded for approval with changes. The motion passed unanimously 7-0.
3. The minutes of February 4, 2008 were moved and seconded for approval as written. The motion passed unanimously 7-0.
4. The minutes of March 26, 2008 were moved and seconded for approval as written. The motion passed unanimously 7-0.
5. The minutes of March 19, 2008 were moved and seconded for approval as written. The motion passed unanimously 7-0.
6. The minutes of March 5, 2008 were moved and seconded for approval as written. The motion passed with one abstention 6-0-1.
7. The minutes of May 28, 2008 were moved and seconded for approval as written. The motion passed with one abstention 6-0-1.
8. The minutes of February 13, 2008 were moved and seconded for approval with changes. The motion passed unanimously 7-0.
9. The minutes of February 11, 2008 were moved and seconded for approval with changes. The motion passed unanimously 7-0.

END OF YEAR TRANSFERS

Mr. Torrasi distributed a memo dated June 27, 2008 requesting a transfer of funds from 5 Town accounts to the Fire – Personal Services account in the amount of \$368,000. Mr. Torrasi and Chief Mansfield explained the following reasons to committee members: Final FY2005-FY2007 contract wage increase paid in FY2008; One-time additional longevity payments applied for by 12 employees; and Extended ILD costs.

After a brief discussion, Richard Howe moved and Mark Merritt seconded to approve the transfer of \$368,000 from DPW-Expenses, General Government-Other Expenses, Library-Personal Services, Elder Services-Personal Services and Plant & Facilities-Personal Services to Fire-Personal Services. The motion passed with one abstention 6-0-1.

Motion:

Transfer From

DPW Other Expenses	\$200,000
General Gov't Other Expenses	53,000
Library Personal Services	25,000
Elder Services Personal Services	30,000
Plant & Facilities Personal Services	60,000

Transfer To

Fire Personal Services	\$368,000
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YOUTH SERVICES REVOLVING ACCOUNT REQUEST

Mr. Torrasi distributed a memo dated June 24, 2008 requesting an increase in the Youth Services revolving account from \$225,000 to \$300,000 for FY2008. In response to voiced concern over the increase, Mr. Torrasi informed committee members that this number was calculated by both Youth Services Director Bill Fahey and the Accounting office. When asked if the Youth Services takes in enough funding to pay for expenses, Mr. Torrasi replied that Youth Services has a different charge than other departments and that its programs do not have to be self supporting. A brief discussion followed regarding the importance of tracking the Youth Services budget in the future.

Tim Felter moved and Harold Wright seconded to approve increasing the Youth Services Revolving Account cap to \$300,000 for FY2008. The motion passed unanimously 7-0.

FINANCIAL GOALS & OBJECTIVES DISCUSSION

Committee members entered into a lengthy discussion involving Andover's current financial policies. Interest in changing the following policies was expressed:

- Additional policy for General Fund balance,
- Debt Service percentage measurements,
- Stabilization Fund and Free Cash Fund treated separately rather than combined

Adding a policy that would include monitoring operating budgets throughout the year was briefly discussed. However, some believed that may be more of a Finance Committee goal rather than a Town goal.

BUDGET PROCESS SUMMER PROJECTS

Committee members agreed on the following summer projects:

- To get together with the new School Business Manager to update him on the budget process.
- To discuss new FTE's for upcoming budget year

There was a brief discussion regarding the importance of transparency relative to budget item definitions among all departments. Mr. Stumpf offered to meet with the new School Business Manager as well as with Dr. Fink to discuss SPED issues.

ADJOURNMENT – 9:45 P.M.

Respectfully Submitted,
Carolyn Lynch
Recording Secretary